



SAUSALITO-MARIN CITY SANITARY DISTRICT

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TRANSMITTAL

Date: June 30, 2004

To: Foreperson
Marin County Civil Grand Jury
3501 Civic Center Dr., Room 303
San Rafael, CA 94903

From: SMCSD
Board of Directors

Sent: US Mail, Certified, Return Receipt

Subject: Southern Marin Sewers Grand Jury Report Response

Please find enclosed:

<u>Date</u>	<u>Copies</u>	<u>Description</u>
June 30, 2004	2 each	Hardcopy & Electronic copies of SMCSD Grand Jury Report Response

These are submitted as checked below:

As Requested

For Information:

For Approval by:

Return to:

For Signature by:

Return to:

For Review and Comment:

Return to:

Other: _____

Comment:

Signed: Joyce Krueger

SAUSALITO-MARIN CITY SANITARY DISTRICT

RESPONSE TO GRAND JURY REPORT ON SOUTHERN MARIN SEWERS

The following are comments on the findings and recommendations of the 2003-04 Marin County Grand Jury report on Southern Marin Sewers:

FINDING NO. 4: Belvedere residents and some Tamalpais residents have no elected representatives on sanitary district boards that impose charges on them.

Explanation: Tamalpais residents do not have an elected representative on the SMCSD Board because the Tamalpais Valley area is not within SMCSD's designated service boundary. While it is feasible for Tamalpais to annex to SMCSD, wastewater service to Tamalpais residents has traditionally been provided by SMCSD under a service agreement with the Tamalpais Community Services District (TCSO). TCSO maintains the collection lines and SMCSD treats the wastewater from 90% of the Tamalpais residents. The TCSO and SMCSD Boards recently negotiated a contract that provides fair and equitable terms for both agencies. SMCSD does not make a profit under the agreement but only is reimbursed for the actual cost to convey and treat Tamalpais wastewater. A member of the TCSO Board routinely attends SMCSD Board meetings. SMCSD has suggested exploring the formation of a joint powers authority to provide TCSO representation in matters affecting the conveyance and treatment of its wastewater. TCSO is evaluating whether it wants to pursue such a course. A note of clarification, SMCSD does not impose charges on Tamalpais residents. TCSO is the responsible agency for setting wastewater service rates in the Tamalpais Valley area.

FINDING NO. 5 Having the responsibility for sewage collection and treatment spread between so many agencies inhibits the investigation of issues that cross agency boundaries

Explanation: The Sausalito-Marin City Sanitary District maintains good working relationship with our immediate neighboring agencies, City of Sausalito and TCSO. We meet regularly with both of them. We are currently exploring a variety of cooperative ventures with TCSO that could lead to improved service and lower costs. These include: joint collection system asset management programs, joint after-hour response; collaboration on inflow and infiltration reduction efforts; peer review of projects, and joint collection

system cleaning and TV inspection. We do believe, however, that greater cooperation and collaboration among all southern Marin wastewater agencies could lead to service benefits and cost savings to all of our customers.

FINDING NO. 6 One agency is occasionally pitted against another as it seeks the lowest cost service for its constituency.

Explanation: We agree with this finding. Should TCSD redirect its wastewater flow to the SASM treatment plant and end its 50-year service relationship with SMCSD, our customers will face a significant economic burden. Furthermore, an expensive pipeline will need to be constructed, providing no regional benefit. Moreover, SASM treatment facilities will become increasingly stressed as it reaches its design capacity at buildout. On the other hand, the SMCSD treatment facility will be underutilized at 60% of its design capacity. We do not believe this represents sound regional governance.

RECOMMENDATIONS

Recommendations No. 1, (Forum with staff and elected officials to exchange ideas/experiences), Recommendation No. 2 (Impartial facilitator to assist agencies in exploring opportunities for consolidation, collaboration and cooperation), and Recommendation No. 3 (Upon consensus regarding consolidation, LAFCO should study alternatives).

Our response to Recommendations Nos. 1, 2, and 3, are presented below:

Recommendation No. 1: A forum should be established, and meet regularly as a way for staff and elected officials from all eleven sewage agencies to exchange ideas and experiences.

Response: Currently, the District managers of the various agencies meet routinely for the purpose of sharing ideas and experiences. Similarly, the Marin County Special District's Association provides a forum for elected officials to share information. While we are open to the idea of improving communication among southern Marin wastewater

agencies, we are unsure of the benefits that would be derived by establishing another forum.

Recommendation No. 2: An impartial facilitator should be engaged to conduct a meeting of agency representatives at which opportunity for consolidation, collaboration, and cooperation are explored and short-term objectives set.

Response: Our agency supports this recommendation and welcomes the opportunity to meet with other agencies to explore the service and economic benefits that could be achieved through greater cooperation and collaboration among agencies.

Recommendations No. 3: After the facilitated meeting is held, based on consensus regarding consolidation established by agencies, LAFCO should proceed with a study of alternatives.

Response: We agree with the recommendation.